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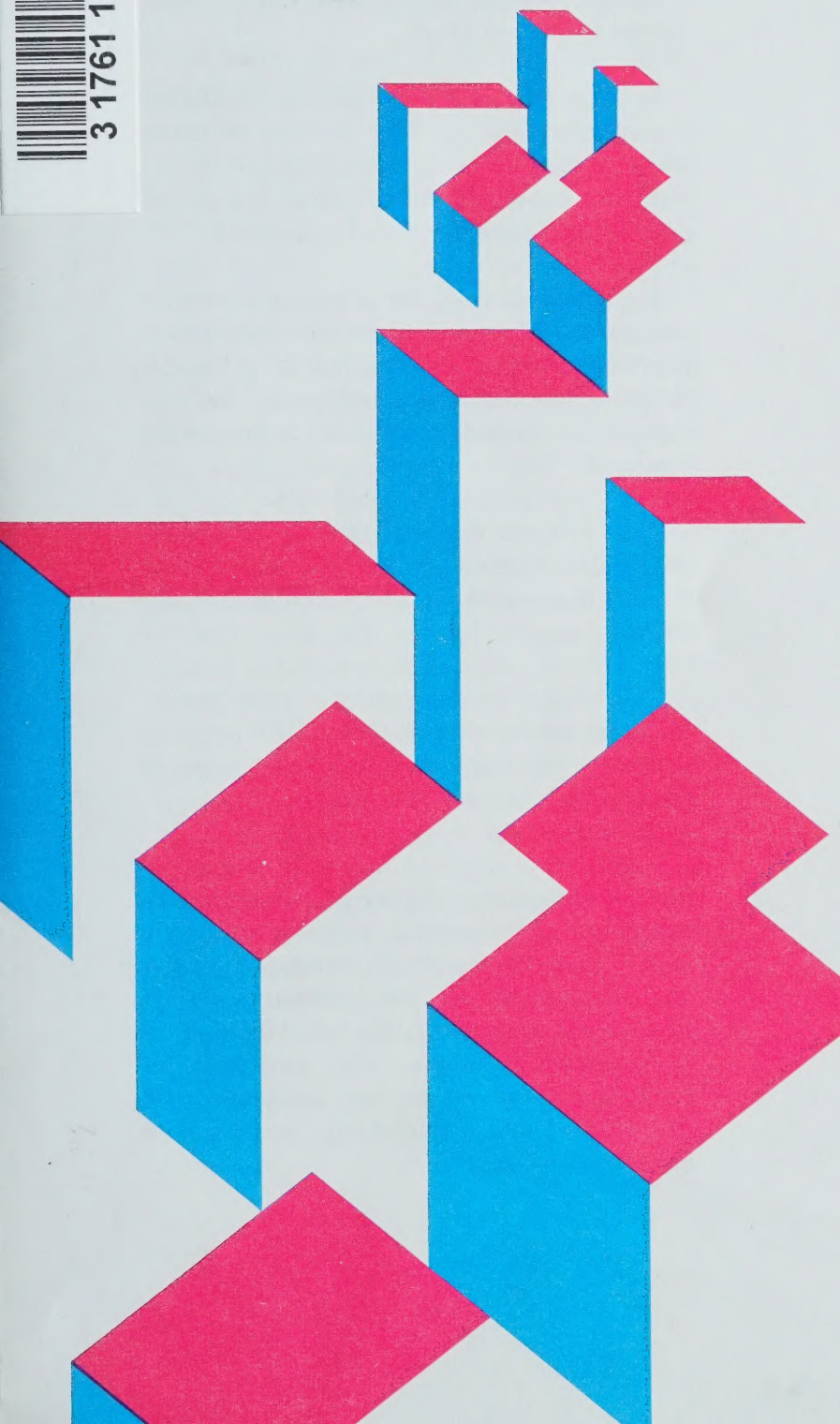
Ontario

Ministry of  
Housing

# Ontario Home Renewal Program



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New housing alone cannot meet all of the housing needs of the people of Ontario.

A key part of the Ministry of Housing's approach to providing affordable, adequate housing for all residents of Ontario is a set of programs designated to conserve and improve existing housing stock.

Many of the older homes in Ontario communities have the potential for service and habitation for many years to come, if adequate upgrading and maintenance work can be applied to them.

To meet this need, particularly in smaller communities and in older sections of many large cities, the ministry—through its community renewal branch—has introduced the Ontario Home Renewal Program (OHRP).

The program, designed in co-operation with the provincial-municipal liaison committee; takes full advantage of the federal-provincial Neighborhood Improvement Program and the federal Residential Rehabilitation Assistance Program.

At the same time it extends provincial financial and other aid to areas throughout Ontario that would not be covered by NIP and RRAP.

This brochure is designed to explain to you, the homeowner, exactly what OHRP involves and what you can do for your home through the program.

The purpose of the program is to assist owner occupants of residential property to repair their homes to standards developed locally and acceptable to the ministry. It is particularly directed to the rehabilitation of substandard dwellings, with emphasis on faulty structural and sanitary conditions, and the up-grading of plumbing, heating and electrical systems.



The program is available to residents in all areas of Ontario, both urban and rural. Municipalities will operate the program directly.\* In areas which do not fall within existing municipal boundaries, the ministry's community renewal branch will administer the program.

A system of loans (repayable and forgivable) to pay for the property rehabilitation is available to individuals whose "adjusted family income" does not exceed \$12,500. See questions and answers following for an explanation of "annual family income."

*\* All enquiries and applications should be directed to your municipality.*

The interest rate on the repayable portion of the loan is geared to the family income (0 per cent for those under \$3,000, up to 8 per cent over \$8,001), and the amount of the forgivable portion of the loan is also geared to the family income. The forgivable portion or grant, is earned by continued ownership and occupancy for a period of time depending on the amount of the grant. For example, if the forgivable portion of the loan were \$3,000, the homeowner-borrower, where there is no funding under the federal Residential Rehabilitation Assistance Program, would earn the forgiveness at the rate of \$600 each full year of occupancy. If he ceased to own the house before the five years required to earn the total forgiveness of the loan, he would have to pay the unearned portion and the outstanding balance of the repayable portion with interest immediately. The maximum amount of the loan shall not exceed \$7,500, less any federal funding.

A person wishing to improve his or her property should contact the appropriate municipal officials to discuss the details of the program.

The municipality will confirm the eligibility of the owner occupant and will arrange for an inspection to determine the extent of the work to be done and prepare an estimate of costs. The owner can then secure estimates from two or more contractors and make application to the municipality for a loan—both payable and forgivable portions—to cover the work.

If the estimates are satisfactory, and the applicant meets the eligibility requirements of income, credit-worthiness etc., the municipality will approve a loan, and arrange for signing of the documents. The municipality will require a security for both the forgivable and repayable portions of the loan from the borrower to guarantee repayment.

The borrower (applicant) will then award contracts and proceed with the work as outlined. The municipality will advance funds for payment as the work proceeds, and as has been agreed to by the municipality and the applicant. The municipality will carry out periodic inspections during the work as an aid to the owner and the contractor and to ensure that the work has been completed satisfactorily.

Repayment of the loan, excluding the forgivable portion, will commence after completion as advised by the municipality. Payments are to be made on a monthly basis.

In the Neighborhood Improvement Program areas or special RRAP areas, loans are made by Central Mortgage and Housing Corporation under the Residential Rehabilitation Assistance Program. The municipality may supplement these loans by using the Ontario Home Renewal Program funds. Details can be obtained from the appropriate municipal officials.

These are the broad outlines of OHRP. The following answers to possible questions may assist you.

**Q. What is the “adjusted family income”?**

A. “Adjusted family income” means the aggregate gross annual income from all sources of the principal wage-earner of a family and his or her spouse after deducting the following:

- earnings of the spouse up to \$1,000,
- \$300 for each dependent child,
- the first \$1,000 of earnings of a one-parent family,
- living out or travelling expenses of the principal wage earner of a family and his or her spouse, but not including living out or travelling expenses for which there is reimbursement by the employer or travelling expenses to and from the place of employment, and
- in the case of self-employment of the principal wage earner of a family or his or her spouse, the expenses which are:
  - incurred in the earning of income,
  - permitted deductions under the Income Tax Act (Canada).

**Q. Must I bring the conditions of the house to some standard?**

A. Yes. The municipality has indicated a standard of health and safety which all residential properties are required to meet. These standards, which must be approved by the Ministry of Housing to permit municipalities to offer this program, are the standards you must use.

**Q. May I improve the dwelling to a higher standard?**

A. The assistance under OHRP is intended to repair structural faults and rehabilitate plumbing, heating and electrical systems. Non-essential items such as a second bathroom, recreation rooms, garages, fences etc., are not eligible. Nor is the re-financing of existing loans or encumbrances permitted.



**Q. How do I proceed to apply for a loan?**

- A. Go to the municipal office where you will be directed to the appropriate official to discuss your eligibility. You will be required to provide details of your income and that of your spouse, and agree to have the employers verify your incomes.

You will be required to disclose your mortgage and tax payments and details of the title to your property.

You will also be required to agree to an inspection of your house and discuss how much work is to be done and how you propose to do it.

Following the establishing of estimates of cost, financing, and repayment, you will make application for a loan, and agree to the amounts of the forgivable and repayable portions.

**Q. Is the information I disclose confidential?**

- A. Absolutely. All information and documents provided are kept strictly confidential.

**Q. Can I do the work myself with the help of my friends?**

- A. Yes. But only if you or your friends have skills to perform the work satisfactorily, and in a minimum amount of time. Usually the best way is under contract.

*But don't sign any contracts or start work before you are notified that your loan is approved, and only then after discussing the proposed contract with the municipal inspector assigned to work with you.*

**Q. Who hires the contractor?**

- A. You do, and payments against the loan are made to you. You may, if you wish, include the contractor's name on the advance cheques. However, it is recommended you discuss the contract with the appropriate municipal official before signing the contract.

**Q. How do I repay the loan?**

- A. The loan will be repaid by you to your local municipality in monthly installments. The amount of the loan depends on the cost of repair. Depending on your adjusted family income, part of the loan may be forgivable and the rest repayable with interest over a period not exceeding 20 years, in monthly installments. The forgivable portion is "earned" by your continued ownership and occupancy at the rate of \$600 per year, if you live outside areas designated for RRAP funding or \$250 per year if you live within such RRAP areas.

**Q. Can I sell the house?**

- A. Yes, but if you sell before the forgivable portion of the loan is earned, you must pay the outstanding portion of the loan, both forgivable and repayable, plus interest, immediately.

**Q. Does an existing mortgage prevent me from getting a loan?**

- A. No, but your income must be sufficient to repay the loan under the Ontario Home Renewal Program as well as make your other normal payments.

**Address all correspondence to:  
Community Renewal Branch  
Ministry of Housing  
Queen's Park, Toronto**

**Telephone [416] 965-2826**



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